

## 1999 SENATE BILL 187

1     **AN ACT** *to amend* 40.05 (4) (b); and *to repeal and recreate* 40.05 (4) (bd) of the  
2             statutes; **relating to:** eliminating the time period in which state employes  
3             must use accumulated sick leave credits to purchase state group health  
4             insurance.

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*Analysis by the Legislative Reference Bureau*

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

5             **SECTION 1.** 40.05 (4) (b) of the statutes is amended to read:  
6             40.05 (4) (b) Except as provided under pars. (bc) and (bp), accumulated unused  
7             sick leave under ss. 13.121 (4), 36.30, 230.35 (2), 233.10 and 757.02 (5) and subch.  
8             I or V of ch. 111 of any eligible employe shall, at the time of death, upon qualifying  
9             for an immediate annuity or for a lump sum payment under s. 40.25 (1) or upon  
10            termination of creditable service and qualifying as an eligible employe under s. 40.02

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1 (25) (b) 6. or 10., be converted, at the employe's current basic pay rate, to credits for  
2 payment of health insurance premiums on behalf of the employe or the employe's  
3 surviving insured dependents. Any supplemental compensation that is paid to a  
4 state employe who is classified under the state classified civil service as a teacher,  
5 teacher supervisor or education director for the employe's completion of educational  
6 courses that have been approved by the employe's employer is considered as part of  
7 the employe's basic pay for purposes of this paragraph. The full premium for any  
8 eligible employe who is insured at the time of retirement, or for the surviving insured  
9 dependents of an eligible employe who is deceased, shall be deducted from the credits  
10 until the credits are exhausted and paid from the account under s. 40.04 (10), and  
11 then deducted from annuity payments, if the annuity is sufficient. The department  
12 shall provide for the direct payment of premiums by the insured to the insurer if the  
13 premium to be withheld exceeds the annuity payment. Except as provided in par.  
14 (bd), upon conversion of an employe's unused sick leave to credits under this  
15 paragraph or par. (bf), the employe or, if the employe is deceased, the employe's  
16 surviving insured dependents may elect to delay initiation of deductions from those  
17 credits for ~~up to 10 years after the date of the conversion~~ any period of time if the  
18 employe or surviving insured dependents are covered by a comparable health  
19 insurance plan or policy during the period beginning on the date of the conversion  
20 and ending on the last day of the 2nd month after the date on which the employe or  
21 surviving insured dependents later elect to initiate deductions from those credits.  
22 A health insurance plan or policy is considered comparable if it provides hospital and  
23 medical benefits that are substantially equivalent to the standard health insurance  
24 plan established under s. 40.52 (1).

25 **SECTION 2.** 40.05 (4) (bd) of the statutes is repealed and recreated to read:

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1           40.05 (4) (bd) If a retired employe or the retired employe's surviving insured  
2 dependents elected before the effective date of this paragraph .... [revisor inserts  
3 date], to delay initiation of deductions from the employe's sick leave credits and those  
4 deductions have been initiated, but have not been terminated, before the date on  
5 which the employe or surviving insured dependents submit an election under subd.  
6 1., or if a retired employe or the surviving insured dependents of a retired employe  
7 who terminated creditable service before the effective date of this paragraph ....  
8 [revisor inserts date], elected to delay initiation of deductions from the employe's sick  
9 leave credits and those deductions have not been initiated before the date on which  
10 the employe or surviving insured dependents submit an election under subd. 1., the  
11 retired employe or surviving insured dependents may elect to delay continuation or  
12 initiation of those deductions for any period of time after the date on which the  
13 employe's unused sick leave was converted to those credits if all of the following  
14 apply:

15           1. The retired employe or surviving insured dependents make the election on  
16 a form provided by the department and submit the election to the department no  
17 later than the first day of the 6th month beginning immediately after the effective  
18 date of this subdivision .... [revisor inserts date].

19           2. The retired employe or surviving insured dependents are covered by a  
20 comparable health insurance plan or policy during the period beginning on the date  
21 on which the employe or surviving insured dependents submit an election under  
22 subd. 1. and ending on the last day of the 2nd month after the date on which the  
23 employe or surviving insured dependents later elect to continue or initiate the  
24 deductions. A health insurance plan or policy is considered comparable if it provides

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**SECTION 2**

1 hospital and medical benefits that are substantially equivalent to the standard

2 health insurance plan established under s. 40.52 (1).

3 (END)